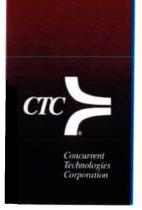


Concurrent Technologies Corporation

Presentation to SARA Panel Acquisition Management and Planning, Part 37





Outline

- Objective and Focus
- Issues
- Findings
- Recommendations
- Conclusions Remaining Steps



Objectives and Focus

- Clean slate approach
 - Identify issues and concerns
 - Differentiate legislative vs. regulatory actions
- What "Could" vs. What "Should"
 - Services vs. PBSA
- Underlying FAR principles convey
 - Acquisition Planning and methodologies apply to services
- "Systems thinking" can be applied
- Protecting government's interest It is the public's money!



Issues

- Focus on technique not requirement
 - ID/IQs are now the norm
 - Focus on PBSA tends to concentrate on "how"
 — the technique and not "what"
 — the requirement
 - PBSA is a procurement method
- Service or Services require same planning and project management discipline as hardware
- Overlapping issues and concerns among groups
 - Price reasonableness, competition, small business concerns



Findings

- Pre-Award Acquisition Planning
 - Focus on services missing
 - Culture evolved based on goods
 - Acquisition planning skill applies also to services
 - Market research, critical thinking, life cycle support, availability in the market place critical skills



Types of Contracts

- Industry norm is T&M/LH
- Milestone billing or performance based payments may be more appropriate



Award

- Best Value is necessary
- Decision factors require understanding of the market
- Past performance is a challenge
 - Metrics and indicators currently focus on hardware type events – schedule and cost
 - Better service sector indicators may be quality of service; responsiveness to client, cost control
- Requires more analysis and focus



Incentives

- Traditional hardware/systems approach is cost, schedule and performance generally linked to improving system performance
- Such finite or concrete measures may not apply
- Award Fee is viable, but currently subjective vs. objective
- Baselines may not exist to identify improvements
- Additional investigation required

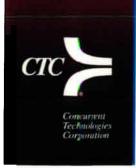


Post Award

- Is DCMA adequately prepared to administer services contracts?
- Services contractors may have little investment in property, plan or equipment
- GAO Report (GAO 05-274)
 - Reviewed 90 contracts
 - 26 had no administration nor personnel identified to administer
 - Generally found administration to be weak



- Professional vs. Non-professional
 - Distinction is blurring
 - Technology is changing delivery methods
 - Distinctions among Walsh-Healy, Davis-Bacon and Service Contract Act – may no longer be required
- Additional research required to determine if still applicable



Recommendations

- Issue a questionnaire to services sector
 - SARA Panel questionnaire
 - Task Force questionnaire received limited response
- "Performance Based" is a tool or technique-not the end result
 - Federal agencies could disseminate the "Benefits to Both Parties" prepared by the Task Force
- More focus on "services" through-out the FAR
 - -Task Force recommends
 - -Changes to the FAR Part 7, Acquisition Plan format to better incorporate services issues
 - -Acquisition Planning could more clearly be required for FAR Part 8, 12 and 13 procurements
 - -Changes to FAR Part 15 to better incorporate services
- Education and Training
 - -Better integration of requirements and contract domains
 - -Culture Change is a challenge
 - -Contracts cannot correct or fix poor requirement definitions



Part 37

- FAR Part 37 thoroughly examined
- Not necessary to identify specific services
- More focus on small business and applicability of Part 19 to service acquisitions
- All of Part 37 could reasonably be moved to other FAR sections
- Additional analysis and investigation to re-align FAR Part 37 elsewhere in the FAR



Conclusion

- Legislative corrections identified
- Regulatory changes may still be needed
- Services Working Group members desire to continue working with DDP and SARA panel to identify regulatory changes

